(d) by when the probe is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (d) Reserve Bank of India (RBI) was requested by the Government to undertake a detailed investigation into the functioning of Indian Bank during the tenure of former Chairman & Managing Driector, Indian Bank and to submit a comprehensive report indicating the action needed to be taken and steps necessary to prevent occurrence of irregularities of such nature. RBI have submitted the report. Necessary action has been initiated by Indian Bank for fixing staff accountability for various lapses. Central Bureau of Investigation (CBI) have also registered cases for looking into criminal culpability including that on the part of various officials of the Bank. Any other offences which might come to notice would also be within the jurisdiction of investigating authorities. A Public Interest Litigation has also been filed in the Supreme Court of India and In their Order dated 6.5.1998, the Court has fixed 21st July, 1998 for final hearing of the petition. The Court has directed that the response of the respondents the points raised by amicus curiae should be submitted by July 13, 1998.

Transfer of Officers

652. SHRI PRANAB MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether a large number of officers belonging to income-tax, customs and revenue intelligence and Directorate of enforcement posted at Chennai have been transferred recently;

(b) whether some of these officers were investigating sensitive cases; and

(c) whether the process of investigation will be affected as a result of such mass transfers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) As per established administrative practice, some Group 'A' officers of the Enforcement Directorate and Income Tax Department, posted all over India (including Chennai) were transferred recently. Officers of this level deal with all types of cases.

(c) Investigations are conducted on merits of the case. The successor officer, to ensure continuty, takes up the ongoing enquiries/investigations from the stage where they are left by the predcessor.

Withdrawal of Cases Against Honest Tax Payers

653. SHRI SITARAM KESRI: Will the Minister of FINANCE be pleased to state:

(a) whether the All India Federation of Income-tax practitioners have urged Government to consider withdrawing cases against honest tax payers;

(b) if so, whether they have made any proposal as to how a tax payer is to be adjudged as honest and the number of such persons against whom cases are pending with the Income Tax authorities;

(c) whether Government have examined the matter; and

(d) if so, reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) The Government has received a letter dated 03.4.1998 from All India Federation of Tax Practitioners, Mumbai containing the proposal for a scheme for honest tax payers to reduce litigation and to utilise their time, money and energy for productive purposes.

(c) and (d) A large number of suggestions are received by the Government at the time of formulating the budget proposals. They are duly considered and the decision of the Government on these issues is reflected

at the time of presenting the annual budget proposals.

New Branches of Nationalised Banks in Andhra Pradesh

654. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether nationalised banks have opened any new branches in Andhra Pradesh in 1997-98;

(b) whehter it is a fact that rural banking is suffering neglect due to disinterest by nationalised banks;

(c) what steps Government propose to take to increase banking facilities in rural areas in Andhra Pradesh; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI R. JANARTHANAM): (a) During the year 1997-98, 15 branches of public sector banks have been opened in Andhra Pradesh.

(b) No, Sir.

(c) and (d) As per the extant branch licensing policy, banks can open rural branches in their service area after obtaining the recommendations of the State Governments or State Level Bankers' Committee and authorisations of the Reserve Bank of India (RBI).

Cut in Prime Lending Rates by Banks

655. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state·

(a) whether the Reserve Bank of India and other nationalised Banks have been considering another round of cut in their prime lending rates;

(b) if so, in what precise context and background such step has been considered; and

(c) the decision, if any taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) Prime Lending Rate (PLR) is determined by individual Commercial Bank themselves taking into account factors such as the ruling and expected rate of inflation the return on capital employed, the cost of funds to the banks including interest rate offered on deposits, the spread available to the bank to cover administrative and other costs, and statutory pre-emptions through Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). Banks may change their PLRs whenever there is any change in these factors and also in response to RBI's decision to change the Bank Rate.

Action taken on BIFR Report

656. SHRI SANJAY DALMIA:
DR. D. VENKATESHWAR RAO:
DR. MOHAN BABU:

Will the Minister of FINANCE be pleased to state:

(a) whether any action has since been taken on the report of BIFR in respect of certain PSUs which were proposed to be liquidated;

(b) if so, the details thereof;

(c) whether Government have received several requests from employees of the organizations and public for safeguarding the interest of these employees; and

(d) if so, the facts and details thereof nd the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) The Board for Industrial & Financial Reconstruction (BIFR) has reported that as on 31.3.1998, 10 sick Central Public Sector Companies were recommended for winding up to the concerned High Courts under Section 20(1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). BIFR has also informed that it